

04 June 2024

By **Cheow Ming Liang** | cheowml@kenanga.com.my

Weekly Technical Highlights – FBM KLCI

Weekly Charting – FBMKLCI



Source: TradingView

Key Support & Resistance Levels:

Last Price	: 1,596.68		
Resistance	: 1,600 (R1)	1,609 (R2)	
Support	1,586 (S1)	1,574 (S2)	
Weekly view	Bearish		

FBM KLCI (Bearish)

- As expected, the FBM KLCI ended the week on a negative note, falling below its psychological support level of 1,600. It dipped 1.4% WoW, or 22.7 points, to 1,596.68 due to continued foreign selling and profit-taking ahead of the long weekend. Sector-wise, the Plantation and Telecommunication sectors saw the biggest drops, down 3.2% compared to the previous week. However, the Construction sector bucked the trend, rising by 1.2%. Overall market turnover increased to 26b units worth RM22.2b, up from 24.2b units worth RM17.8b in the preceding week.
- Looking ahead, the local market is expected to face continued downward pressure as investors remain cautious over global interest rate directions and inflationary pressures. Key events to watch in this shortened trading week include the Taiwan Computex 2024 conference, where leading global tech giants will provide keynote speeches that could impact the local semiconductor industry. Additionally, investors will focus on Wednesday's EPF conference and the European Central Bank (ECB) rate decision. No key data releases are scheduled from Bank Negara Malaysia (BNM) or the Department of Statistics Malaysia this week.
- Technically, the index began to retrace last week following a shooting star candlestick pattern formation two weeks ago, confirming a trend reversal. Further consolidation is likely, as the weekly stochastic, RSI, and SmartMCDX (which measures buyer activity based on volume and price movement) remain in overbought territory despite last week's weak index performance.
- In summary, we expect another week of profit-taking or negative performance, with immediate support levels at 1,586 (coinciding with the 5-week SMA) and 1,574 (50-day SMA). Conversely, breaking above the psychological resistance of 1,600 could propel the index to test the next resistance level at 1,609.

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies. Kenanga Investment Bank Berhad being a full-service investment bank offers investment banking products and services and acts as issuer and liquidity provider with respect to a security that may also fall under its research coverage.

Published by:

KENANGA INVESTMENT BANK BERHAD (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my

